

Opening Statement of the Honorable Fred Upton
Subcommittee on Health
Hearing on “Keeping the Promise: Allowing Seniors to Keep Their Medicare Advantage
Plans If They Like Them”
March 13, 2014

(As Prepared for Delivery)

Today we examine the future of the popular Medicare Advantage program under the president's health care law. Before this law passed, the president repeatedly promised, “If you like your health care plan, you will be able to keep your health care plan, period. Nobody is going to take it away from you, no matter what.” Unfortunately, many seniors who like the Medicare Advantage plan they have, are joining the millions of Americans who have learned the hard way that this is a promise the president cannot keep.

The president's health care law raided more than \$700 billion from Medicare to spend on new government programs that do not improve health care for seniors. More than \$300 billion of this came from the Medicare Advantage program. These cuts threaten the high quality, affordable health coverage that seniors enjoy. As numerous media outlets have already reported, Medicare Advantage plans have been forced to reduce seniors' benefits, increase their premiums, and reduce plan offerings in light of these cuts. Sadly, the situation is only going to get worse as only about 20 percent of the health law's cuts to Medicare Advantage have already been realized, with significant cuts in the hundreds of millions of dollars still on the horizon.

According to Medicare data, in 2014 Medicare Advantage enrollment will total approximately 15 million enrollees - roughly 29 percent of seniors in Medicare. The MA program also enjoys high popularity among seniors, evidenced by CMS' figures that MA enrollment as a percentage of total Medicare enrollment has increased by 173 percent over the past 10 years.

Medicare Advantage provides millions of seniors better health care than traditional Medicare. MA plans provide seniors a cap against unlimited cost-sharing in the case of catastrophic medical event or hospitalization. The plans provide seniors coordinated care with medical teams working together, provide disease management programs, hotlines to access medical advice, and tools to help better manage chronic disease. All of these are benefits that traditional Medicare does not offer its patients. As a result, it is no surprise that studies and clinical research shows that seniors with MA plans have lower rates of hospitalization and emergency department utilization.

Surveys also confirm that seniors are happy with their high quality, affordable Medicare Advantage options. Seniors who have MA plans they like should be able to keep them – just as the president promised so many times. Today, we will hear from witnesses on this important issue, including several of my colleagues who have brought forth ideas to improve the MA program and keep the promise to seniors. I appreciate their work.

I want to thank Rep. Dennis Ross for his bill, H.R. 4180, which would permit rollovers from health savings accounts to Medicare Advantage savings accounts.

I want to thank Rep. Erik Paulsen for his bill, H.R. 4177, which would allow Medicare beneficiaries participating in a Medicare Advantage savings account to contribute their own money to such an account.

I want to thank Rep. Keith Rothfus for his bill, H.R. 3392, which would restore the Medicare Advantage open enrollment period that existed prior to the health law. This will once again allow seniors to try out their newly selected plan from January to March and make one switch if they discover the selected plan is not meeting their needs.

I want to thank committee member Rep. Gus Bilirakis for his bill, H.R. 3392, which would establish a patient-assignment program in MA and Part D drug plans to protect patients who have demonstrated drug-abuse behavior and would help prevent drug diversion.

I want to thank Rep. Jackie Walorski for her bill, The Advantage of Medicare Advantage for Minorities and Low-Income Seniors Act, which would require the Government Accountability Office to use data reported to the government to produce a study showing how the Medicare Advantage program is particularly beneficial to participants of lower-income and ethnic or racial minority status.

I want to thank Rep. Bill Johnson for his bill, H.R. 4196, which would eliminate Obamacare's cost-sharing subsidies and reinvest the savings from that policy in the Medicare Advantage program.

I want to thank Rep. Jeff Denham for his bill, H.R. 4201, which would enable Medicare Advantage plans to inform potential enrollees of how Obamacare's cuts to the program may impact their choices of plans.

I commend all of these members for their contributions in the effort to keep the promise to America's seniors.

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